GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1955
ANSWERED ON:28.11.2016
ONGC Dispute in KG Basin
De(Nag) Dr. (Smt.) Ratna;Gopal Dr. K.;Joshi Shri Chandra Prakash;Mullappally Shri Ramachandran;Owaisi Shri Asaduddin;Pandey Shri Hari Om;Selvam Shri V. Panneer;Senguttuvan Shri Balasubramaniam;Wanaga Shri Chintaman Navsha

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to seek compensation from Reliance Industries Limited (RIL) and pay to Oil and Natural Gas Corporation Limited in Krishna-Godavari Basin oil fields dispute on migration issue as per AP Shah Committee recommendation in this regard;
(b) if so, the details thereof along with the number of recommendations accepted by the Government and action taken thereon;
(c) whether the Government has recovered the required amount from RIL and if so, the details thereof and if not, the time by which the said amount is likely to be recovered;
(d) whether the Director General of Hydrocarbons has since quantified the extent of compensation to be sought from RIL and if so, the details thereof; and
(e) whether the Government oil companies propose to buy KG basin area and if so, the details thereof along with the status of the project?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):
(a) & (b) Justice A.P. Shah Committee had in its Report concluded inter-alia that there has been unjust enrichment to the contractor of the block KG-DWN-98/3 due to production of the migrated gas from ONGC's blocks KG-DWN-98/2 and Godavari PML. The Committee has concluded that the Government of India, and not ONGC, is entitled to claim restitution from RIL for the unjust benefit it received and unfairly retained. The Government has accepted the recommendations of the Committee and consequently, it has been decided by the Government to claim restitution from the contractor for the block KG-DWN-98/3 for the unjust benefit received and unfairly retained.
(c) & (d) On the basis of the quantification worked out by the Directorate General of Hydrocarbon (DGH), Government issued a notice dated 03.11.2016, and directed RIL to remit an amount of USD
1,552,071,067 (computed provisionally) being net amount of restitution receivable along with interest upto 31.3.2016 along with USD 174,905,120 towards the revised additional cumulative Profit Petroleum receivable upto 31.3.2016 to the Government within 30 days from the date of receipt of the notice. RIL vide its Notice of Arbitration dated 11.11.2016 has invoked arbitration disputing the claim of the Government of unjust benefit and restitution claimed in the aforesaid Ministry's notice dated 3.11.2016.
(e) Areas for oil and gas exploration have been allotted by Government through nomination PRE-NELP / NELP bidding rounds. Further, any transfer / assignment of the Participating Interest (PI) of the contractor to any government oil company / private company operating under the Production Sharing Contract (PSC) regime is governed by the provisions of the relevant PSCs.
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